

Malcolm Baldrige National Quality Award

Joint Board of Overseers/Judges' Panel Meeting

Baldrige Performance Excellence Program • National Institute of Standards and Technology

Thursday, June 11, 2015

Attendees

Overseers: Bryan Bushick, Julie Furst-Bowe, Bennie Fowler (candidate), Reatha Clark King, Terry Holliday, Elizabeth Menzer (candidate), Robert Pence, Liza Seltzer, Rulon Stacey. *Absent:* Deborah Bowen (candidate), Warren Harris

Judges: Kenneth Davis, Michael Dockery, Laura Huston (Chair), Miriam Kmetzo, Sharon Muret-Wagstaff, Michael Sather, Sunil Sinha, Roger Triplett, Fonda Vera. *Absent:* Gregory Gibson (candidate), Kenneth Schiller, John Timmerman

NIST: Jamie Ambrosi, Dawn Bailey, Rebecca Bayless, Sandra Byrne, Jacqueline Calhoun, Jacqueline DesChamps, Robert Fangmeyer, Robert Hunt, Willie May, Renée Norris, Suzanne Sullivan, Barbara Uglik, Nancy Young

Foundation for the Malcolm Baldrige National Quality Award: Al Faber, President and CEO

U.S. Department of Commerce: Christine A. Hammer, Office of the General Counsel (via telephone)

Welcome and Introductions

Rulon Stacey, chair of the Board of Overseers, called the meeting to order at 8:15 a.m. Baldrige Program Director Robert Fangmeyer welcomed the judges and overseers and expressed appreciation for their guidance.

The minutes from the Board of Overseers' December 2014 meeting were approved unanimously.

Under Secretary of Commerce for Standards and Technology and the NIST Director Willie May greeted the overseers and judges and gave an overview of NIST's four program areas. He affirmed his support for the Baldrige Program, noting that it develops standards that cut across all NIST's content areas. He also summarized the program's funding history and answered questions on this topic. May thanked the judges and overseers for their guidance to the program.

The overseers offered suggestions for communicating the Baldrige Program's value proposition to the Department of Commerce and more broadly. They recommended continuing the program's current messaging around its role as not simply an award program but as a program that helps all organizations improve. Stacey reported on current efforts in this regard. The overseers also noted that standards in many sectors are based on Baldrige but that users are largely unaware of this. In addition, the board noted that individual overseers could communicate the value proposition to sector-based organizations in which they participate or that they address.

Baldrige Program Update

Fangmeyer reported that in April, Deputy Secretary of Commerce Bruce Andrews presented the Malcolm Baldrige National Quality Award to the four 2014 recipients (PricewaterhouseCoopers Public Sector Practice, McLean, Virginia: service; Hill Country Memorial, Fredericksburg, Texas: health care; St. David's HealthCare, Austin, Texas: health care); and Elevations Credit Union, Boulder, Colorado: nonprofit). Fangmeyer noted the value of having three sectors and organizations of various sizes represented in terms of attracting interest in Baldrige. The award ceremony was followed by the 27th Annual Quest for Excellence® Conference, which had the most attendees since 2011 and received overwhelmingly positive ratings from them.

Fangmeyer also reported that 26 organizations had applied for the Baldrige Award in 2015, an increase of 4 over 2014 and progress toward the target of 30–40. By sector, the applicants are 16 health care, 4 nonprofit, 4 education, and 2 small businesses. Of these organizations, 11 are applying for the first time. Ten of these earned

eligibility by receiving an Alliance program top-tier award, and 1 applied under the program's new alternate eligibility process.

Fangmeyer reported on two new Baldrige Excellence Framework products intended to appeal to organizations that are at an earlier stage of organizational excellence maturity. The *Baldrige Excellence Builder*, released in early 2015, is a midlevel assessment for organizations that are not ready for the full framework booklet. Response from partners and organizations has been positive. The program is also developing a guidance document for organizations with little or no familiarity with the principles and practices that enable performance excellence. For both of these products, the overseers noted the importance of emphasizing improvement rather than assessment.

Dawn Bailey reviewed the program's recent outreach to engage manufacturers in Baldrige, including the endorsement of Manufacturing Day, a presentation by the program director to the Quality Council of the Conference Board, and interviews with manufacturers on how they use the Baldrige framework. The latter will be used in outreach and social media. The overseers reaffirmed the value of having Baldrige users and the judges and overseers promote the program, especially in light of program resource constraints.

Jamie Ambrosi described the recently formed Business Development Task Group, consisting of representatives from the Baldrige Program, the Alliance for Performance Excellence, the Baldrige consultant community, and ASQ. This group is exploring a ways to deliver Baldrige-based products and services under a revenue-sharing model.

Fangmeyer shared highlights of the program's financial performance for the first two quarters of FY2015. He noted that based on projections, in FY2015 the Baldrige Program will once again use less than the funds committed by the Baldrige Foundation.

Some of the overseers suggested leveraging the program's success in offering educational events (such as conferences, the Baldrige Executive Fellows Program, and the Baldrige Examiner Training experience). These events reinforce that the program promotes excellence through events for personal and organizational development. One overseer also cautioned against allowing the need for revenue to overtake the need to continue protecting the integrity of the Baldrige Award.

Issues from the June 10 Judges Panel Meeting

Laura Huston, chair of the Judges Panel for the Malcolm Baldrige National Quality Award, reported that at its meeting the previous day, the panel had welcomed new judges, reviewed the judging process, and prepared for the 2015 Baldrige Award process. The strengths of the 2014 process included the mentoring of new judges; active, even participation; more success at limiting questions to need-to-know questions; and support by the NIST staff. Opportunities for improvement included the need to clarify the products judges need to produce, to increase the efficiency of communication with team leaders during the November Judges Meeting, and to increase contact between new judges and their mentors. The judges also discussed ways to increase applicants' satisfaction with their feedback reports and to collect more complete data on their satisfaction. The overseers thanked the judges for their service.

Foundation Update

Al Faber, President and CEO of the Foundation for the Malcolm Baldrige National Quality Award, reviewed the Foundation's history, mission, and current priorities. Its three focus areas are fundraising, advocacy, and operations. Faber also reviewed the current environment for fundraising and advocacy and the Foundation's goals, progress, and challenges in these areas.

Fangmeyer and Faber clarified the Foundation's role with regard to the Baldrige Program (to support the program financially): there is a firewall between the Foundation and the program's operations, including the Baldrige Award process and strategic directions. The overseers asked to be kept informed of the Foundation's

progress, noting that this knowledge will inform their advice to the program and that, to the public, the difference between the program and the Foundation may not be clear.

Ethics Review

Christine A. Hammer delivered the ethics briefing for special government employees to the overseers and judges.

Baldrige Program Initiatives

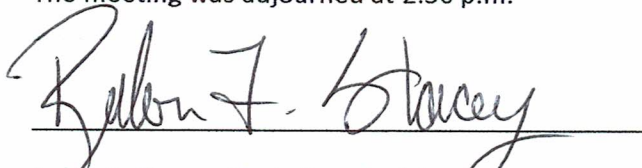
Fangmeyer asked the overseers and judges for their recommendations on four potential new products and services: an optional on-site assessment for award applicants, a virtual (paper) assessment aimed largely at international organizations, sector-specific *Baldrige Excellence Builders*, and a leadership development program. He said that these initiatives relate to four of the program's strategic imperatives: increase operating revenues, control costs, increase award applications, and enhance and protect the Baldrige brand. He also noted that the program will vet these ideas through a process that accounts for market demand, labor and other costs, and likely revenue.

The overseers recommended considering the role of Alliance programs in these products and services. For the potential leadership development offering, the overseers advised the program to consider ways to allow smaller organizations to participate, to focus on organizations' key leadership development needs, and to consider co-locating development offerings with the Quest for Excellence or the Baldrige Regional Conferences. In addition, they recommended creating a business case, with projections, for each potential product and service.

Fangmeyer also reported on the program's relationship (through a Memorandum of Understanding) with Communities of Excellence 2026, a nonprofit organization that is adapting the Baldrige framework for use by communities. The group's broader aim is to help communities assess and improve their performance, impacting community health, education, economic opportunities, and overall quality of life. One of their objectives is to have Congress establish "communities" as a Baldrige Award category.

Fangmeyer presented several options for modifying Baldrige Award application fees, with the goals of increasing revenue, increasing award applications to 30–40, and increasing access to the award process for small organizations. The recommended option would lower fees for very small organizations and raise them for very large organizations. Since the proposal is revenue neutral, the overseers recommended not changing the fees until the program has a clearer idea of the effect on the program's achievement of its multiple goals: to have the right number of applicants of the right caliber in order to have enough recipients as U.S. role models.

The meeting was adjourned at 2:30 p.m.


Rulon F. Stacey, Chair, Board of Overseers

29 JUL 15
Date